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Contents

1.	Paper 1F Examiners' Report	7
2.	Paper 2F Examiners' Report	13
3.	Paper 3H Examiners' Report	25
4.	Paper 4H Examiners' Report	29
5.	Paper 05 Examiners' Report	35
6.	Statistics	39

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General View:

Each year the Examiner's Report provides some valuable viewpoints and insight into the thinking of those involved with the construction and development of the examination papers. It is gratifying when teachers take the time to feedback on the value of the report. However, the number of these people is few and far between. The Report is but one source of information that should be an integral part of helping students to prepare more thoroughly for the examination.

We are told year after year that the Nuffield course is challenging but that it also is rewarding and prepares students effectively for further study. We believe that students could be even better prepared if the information that is available to teachers and students through the awarding body, inset meetings, journals such as the Economics and Business Education Association (EBEA), magazines such as Business Active and Edexcel's monthly Newsletter Service were used more effectively.

In an education world where chasing grades has so much weight attached to it, one would think that any advice about preparing students would be seized upon but alas the same mistakes are made every year. These mistakes centre on the focus on content at the expense of developing skills. Half the marks available in the examination as a whole, including the Portfolio, are for demonstrating the skills of analysis and evaluation. How many centres devote 50% of the available teaching time in the two years of the course to developing these skills?

Those centres that do take on board the advice are noticeable. The students' offer creative, insightful and interesting responses that demonstrate that the subject is alive, interesting and dynamic. There were a number of examples of centres who had offered clear guidance to their cohort about tackling the questions targeted at the higher order skills.

It might be argued that the 'argument for, argument against and conclusion' formula is just that - a formula, and that it does not demonstrate understanding and learning. In part this may be true but equally the students that had been guided to respond to such questions in this way had to THINK about the different perspectives and solutions to problems - the context means that it is unlikely that any teacher will have been able to pick the correct context to focus lessons on. As a result there is evidence that many students really do think about the issues and demonstrate not only analysis and evaluation in the process but also high levels of knowledge and understanding.

Foundation candidates continued to demonstrate increasing levels of competence in dealing with the higher order questions. Foundation candidates do have opinions and views; in some cases, they find these views hard to articulate in the language of the subject but nevertheless are able to express interesting and creative responses. There was a time that marking Foundation papers was very much easier because so many candidates simply did not write very much - either in volume or of merit. This has been changing and this summer saw further evidence that this trend is continuing.

A number of centres entered candidates for the Foundation Tier who scored very high marks. The question has to be asked as to whether such candidates would have been better advised to enter for the Higher Tier. There again, it is clear that

entering such candidates does guarantee that C grades will be attained but we are left wondering whether this is really in the spirit of education.

Centres should note that the number of lines available on the question paper is a guide to students. Most candidates will not need to go beyond the number of lines given to secure the full marks and on the higher tariff questions it is possible to get maximum marks even if the whole space is not used. Centres should impress upon students that questions are targeted at particular assessment objectives. A typical 4 mark question tends to be focussed on knowledge and application but the higher tariff questions have a large proportion of the marks devoted to analysis and evaluation. It is possible, therefore, for candidates to score marks for the skills demonstrated even if the knowledge is limited.

The Report is broken up into the different sections dealing with each paper and the Portfolio. For Papers 1 and 3 and 2 and 4, common questions will be dealt with through the comments in the Foundation Tier section with the Higher Tier dealing with the questions specific to that tier.

The report will provide an overview of the range of answers for each question and highlight good and bad practice through the use of examples drawn from candidate responses. Grammatical and spelling errors have not been corrected.

Paper 1F Foundation - Problem Solving

The mean mark for Paper 1F was 41.7 compared to 41.6 in 2005.

1a (common)

This question proved to be a good introduction to the paper, with the vast majority of candidates gaining marks. Most candidates could recognise a market as a place where buyers and sellers meet. The recognition of these two parties was sufficient for 2 marks, with a further 2 being awarded for the use of an examples. Not all candidates pick up on the command to, 'use an examples', and this should be a focus for centres. One good examples, based on the evidence, was as follows:

Oil has a market because people dig it out of the ground and supply it and China and the US is the buyers who want the product.

1b (common)

This question was difficult for both Foundation and Higher candidates, with a minority scoring over half marks. As a concept, market clearing is part of the specification and whilst not a frequent question, it is a key element of market theory. Centres need to draw out the idea of market clearing when covering demand and supply. Too many candidates picked up on the 'clearing' part of the question as a reference to 'stock clearance'.

2a

This was generally well answered, with the Evidence being useful for students to identify different causes of rising oil prices. Interestingly, a number of candidates seemed not to refer to the Evidence in attempting the question. Whilst the stimulus material is not intended to be used as part of a comprehension exercise, it is designed to give students an insight into the problem being investigated. The material this year provided information about the rising oil price and the increased reliance on oil by industrialised economies. Sources G and H then touched on some of the possible solutions to 'the problem'. Centres are encouraged to get students to use the evidence in this way. For example, providing just the Evidence and allowing students to identify what the Business and Economics concepts might be, followed by what the possible problem and solutions could be, is a useful exercise, and will encourage students to think about how paper 1F and 3H is structured.

2b

Whilst a majority of candidates gained marks for identifying a main cause of the rising oil price, a smaller number went on to explain why this was more important than their other cause (identified in 2a). This type of question is used each year on the Foundation paper, and is designed to give candidates more of a lead in structuring a response to a question which is geared towards the higher order AOs. A maximum of 4 marks could be achieved where no comparison was made. This response gained full marks:

The main reason is the rising demand for oil from America and China. They need this for their economic growth as oil is used by businesses. This is more important than the falling supply as new supplies are being found all the time, like in Canada, but demand is rising faster.

It is the direct comparison - stating why one is more important than the other - that allows the candidate to access Level 2 of the mark scheme.

2c

Most candidates gained mark on this question by showing understanding of an increase in demand and explaining the process. However, and perhaps understandably, Foundation candidates are usually less able to use 'excess demand' as an explanation for the increase in price, relying instead on the assertion that rising demand must mean rising price.

A sizeable number of candidates did not use the diagram at all to show an increase in demand. The question stated, 'Use the diagram to help illustrate your answer'. Centres should remind students that diagrams such as this, where given, will need to be used actively by candidates, i.e. they should be prepared to show a shift in the demand line, with new equilibrium price and quantity, and excess demand/supply. A significant number used the diagram and a piece of stimulus material to help them draft a written explanation, and thus penalised themselves by not accessing the 3 marks which were available for drawing a new demand line and showing new equilibrium. It has become the practice to give foundation students the base diagram to help encourage them to use this important tool as part of their analysis.

3a (common)

A straightforward question which allowed most students to score more than half marks. The only problem encountered was with students who provided only a simplistic definition of fixed and/or variable costs. For examples, this response, which was typical of many, gained only 4 marks:

*Fixed costs - are costs that stay the same (1 mark) no matter what.
Variable costs is the price (sic) of something that can change significantly.
For BA, fuel is a variable cost, but staff hire is a fixed cost.*

The candidate has not explained the costs in relation to the level of output. This proved to be a useful discriminator, with more capable students clearly stating that, for examples:

Fixed costs are those which stay the same regardless of the level of output.

To gain the 2 marks for examples, these had to be in the context of British Airways. The question asked, 'Using examples from the evidence...', and so we rewarded responses that recognised the specific costs that BA has to pay. Where examples were given which were out of context, 1 mark was awarded for this approach.

3b (common)

As with 3a, this question was well answered, with a good number of students being able to identify two problems that businesses using oil might face. Where candidates offered a solution to deal with the problem, then this was rewarded. For examples, responses which suggested that the rising costs of BA might lead it to cut some flights from its schedule, as a result this might lead to other carriers establishing a competitive advantage. This type of response was credited. Some candidates tended to repeat (or develop) their first problem, and therefore penalised themselves. The question asked for 'TWO' problems and centres to seek to encourage students to act on such command words.

4a

A straightforward question with most students scoring highly by recognising the impact on dealerships. One candidate gained full marks for the following:

If the price of oil rises then petrol prices will rise. This means that the Hummer or the CXT will become more expensive to run and people will be against buying them. The car dealerships will lose money.

Note that the student has not had to write lots, but has identified a sequence by which dealerships will 'lose out'. The lack of explicit terminology is typical of Foundation candidates, but clearly this recognises some of the issues.

4b(i)

Another straightforward question with most students scoring 3 marks. The information was drawn largely from the Evidence. Candidates lost marks where they did not use the idea of 'businesses', but used industries (e.g. 'farming') instead. The use of local examples (e.g. *Manor Top farm*) was rewarded.

4b(ii)

Another opportunity for candidates to demonstrate skills of analysis and evaluation, firstly by using their responses from b(i) to identify the business which will be most affected, and then going on to explain why it is more affected than one of the other businesses. In fact, a large majority made a judgement, and developed this by explaining why the business was affected. However, many good responses could gain a maximum of only 4 marks because they did not offer direct comparison by suggesting why it was more affected than the next business. So, Ferrari will be affected by rising oil prices (as one candidate suggested). But will it be affected more than the owner of Manor Top farm using diesel in his tractor? Any hint that Ferrari will be less affected because the people who buy them are usually impervious to any fluctuations in the price of oil would have been enough to secure full marks. Students need to recognise these types of question when they appear, and act on what is required. Centres can help to coach students to this end.

5a (common)

Surprisingly, 'Inflation' proved a very difficult topic area, particularly on the Foundation tier, but even Higher candidates often struggled to gain more than half marks. Over the past 3-4 years it has been clear that students are less secure with macroeconomic concepts, and this year saw this pattern repeated. Concepts such as inflation, economic growth and sustainability feature on the specification and centres must ensure that candidates are adequately prepared for these questions. It was noticeable that some centres had prepared this area, but they were in the minority. One candidate wrote:

*Inflation is the sustained rise in the general price level [2 marks]
Normally inflation is created in the boom stage of the business life (sic) cycle. From the Evidence, oil prices have caused other businesses costs to rise, then causing them to raise their prices. [2 marks for developed examples]*

5b (common)

With 5a proving beyond lots of candidates, this question compounded the loss of marks for many students. Those that had something of the right idea often made a weak link with costs being 'passed on', without specifically making the connection to the general price level.

6a (common)

This question was well answered by both Foundation and Higher candidates, with a majority gaining 3 or 4 marks. Some candidates lost a mark for only providing one examples, where the question clearly asked for 'examples' (plural). Candidates who provided an examples of renewable resources, as a means of illustrating non-renewables, were rewarded with full marks. This was quite common. For examples:

Non renewable resources are those have limited supply - when they have been used they are gone forever. Wind power is a renewable resource, as it can be used over and over again. Solar power is the same. These are renewable resources.

6b (common)

This question was reasonably well answered, but most candidates scored 4 marks rather than 6. The principal reason for this was a failure to act on the command word of 'discuss', which should always suggest to students that some evaluation will be required. Students were perceptive and creative in identifying problems associated with wind farms, and we were pleased with the recognition of the likely negative impact on property prices, as hinted in the evidence. The quality of language used was sometimes weak, particularly on the Foundation paper, with references to, 'big, ugly eye sores' being quite common. Also, some candidates focussed their analysis on the impact on wildlife, rather than 'people who live nearby'. To evaluate or discuss the problem in such cases, students should be encouraged to use the 'it depends' rule. What would the size of the effect on property prices depend upon, for examples?

7a

Straightforward question which allowed most students to gain 2 marks. The most common solutions involved increasing prices, cost cutting measures (e.g. redundancies) and finding alternatives to oil.

7b

The same format of question as 2b and 4b(ii), designed to assist Foundation candidates in constructing a balanced response and thus access marks for Evaluation. Once again we found that candidates were good at identifying a reason and developing this. However, this type of response in itself could only receive a maximum of 5 marks. To reach Level 2 (check mark scheme) some form of direct comparison was needed. In other words, candidates must say why solution X is better than solution Y. This could be at a simplistic level, but the key is for candidates to demonstrate the assessment objective of evaluation.

The best solution is to use alternative forms of energy, such as oil or wind. These are renewable resources that will never run out and are cheaper than oil. As the price of oil rises, businesses will cut their variable costs if they use wind power. However, not all businesses will be able to do this. Eddie Stobart lorries need petrol to run, so wind power is not a good idea for this company.

7c

Lots of candidates missed this question completely, or otherwise answered it incorrectly. Whilst this is disappointing, as inflation is a basic macro concept and one which candidates might be expected to have covered, it is alas not surprising, as evidence from previous years confirms that it is macroeconomic concepts that are the biggest stumbling blocks for students. Centres should be reminded of the importance of covering the specification content, and something such as inflation should certainly figure prominently when covering the business cycle 'rollercoaster' (Unit 3) and what the government can do lessen its effects.

The Nuffield resource 'Go Chancellor' is useful in dealing with this topic, as is the Biz/ed 'Virtual Economy' simulation (www.biz/ed.ac.uk). The use of topical news articles, such as the latest decision by the Monetary Policy Committee, is also to be encouraged, and is a readily available source which is a good basis for class discussion which can reinforce specification content. Again, the decisions of the MPC are regularly summarised in the Bizled feature 'In the News', which students can be encouraged to read. It is short and not too demanding but provides the basic information needed at this level

7d

Most candidates were able to provide two solutions, and were rewarded for development of these suggestions. Once again the command word 'discuss' should have led students to offer some form of simple evaluation. Where present this usually made reference to the cost of a new project, such as a wind farm, or the disadvantages of increasing our reliance on public transport. However, more often

than not no evaluation was present and candidates were thus limited to a maximum of 4 marks.

7e

This was a very accessible question for Foundation candidates, with a pleasing number acting upon the, 'Assess the effectiveness...' command of the question and developing a balanced argument as to the merits of wind power. Candidates generally made an early judgement:

I think wind power is a good source of power. It is a clean way of generating a lot of power. [2 marks for this]

The quality of this development could enable students to gain 3 marks in total. By offering balance - e.g. an opposing point of view - students could access Level 2, with the highest marks reserved for clear evidence of evaluation. This response gained full marks:

I do not believe that wind power would be very effective compared to oil [judgement made]. There would have to be very large numbers of wind turbines built to give the same amount of energy as one oil power station [development/justification].

Although wind power is environmentally friendly [balance], it would be less effective than energy sources from oil as not much power would be produced [Evaluation].

One way in which centres can assist in preparing their students for this type of question is to encourage the use of paragraphs to organise alternative arguments. Such a framework is available on the Nuffield website entitled 'Building Assessment'.

Paper 2F (Foundation)

The mean mark for the paper was 47.9 compared to 40.8 in 2005.

Question 1: The European Union (EU) and Trade.

If anything, this was probably the least popular question on the paper although there was little by way of overall pattern on the papers. It dealt with a number of topical issues including the EU and trade. The focus of the issue were the different perspectives about people bringing in tobacco and alcohol from the EU into the UK.

1a (Common)

This question was looking to get an indication from candidates of an understanding about the process of exchange involved in imports. Candidates were generally able to respond to this question more accurately than on previous occasions but too few mentioned the fact that an import **involves a payment** for the transfer of a good or service from one country to another. A range of good examples were given, which in many cases, helped to offer some support to the definition which may have been a little more clumsy in the way it was expressed. Examples should be a little more developed than simply '*an import is bananas*'.

1b (Common)

There was some very good responses to this question. The vast majority of candidates recognised that trade can bring some disadvantages. Most settled on the idea that it would cause unemployment as a result of the competition from firms abroad who had significant cost advantages, especially labour cost advantages. Some recognised the idea of dependency on imports as being a disadvantage and it was also encouraging to note the number of candidates on both tiers who used appropriate business and economics language. Some topical examples were used to illustrate the point which was very encouraging. This was an examples of a student clearly showing some topical awareness with reference to the so-called 'bra wars' and it should be encouraged in the classroom at all times:

Often imports are sold in the UK for cheaper than products made in the UK, and so are competing-out UK firms. An examples would be China's bra produce, they produce them much cheaper, and sell them much cheaper than UK producers.

1c

The vast majority of candidates gave the expected response that membership of the EU meant that the UK did not have to pay taxes - most did relate this to trade rather than just a blanket reference to taxes. One candidate did not seem to realise that the UK was part of the EU! The command words are 'identify' and 'explain'. The quality of the explanation was the key to scoring maximum marks and those that used appropriate terminology and economics and business understanding managed to do this we.. There was a decline in the number of foundation candidates offering more than one benefit - the vast majority managed to recognise the command words in this type of question, which is a further encouraging trend.

1d

This was the first part to a question where the structure seems to have helped foundation candidates in providing some form of assessment and analysis. Most were able to identify two appropriate factors even if the terminology was rather limited at times. There are a number of candidates who seem to be of the impression that the government can simply 'tell businesses' not to bring goods in or that monitoring goods at the border is a way of cutting imports.

1e

The second part of this question asks candidates to make a judgement as to which of the two factors chosen is most likely to be successful. The key to getting into the higher levels is to guide students into the necessity of making a direct comparison - this is important because; but this is more important because' type of approach. This type of response can be practised in the classroom by providing similar questions and giving candidates some structure or lead in phrases to help them structure their answer to reach the higher levels.

In some respects this could be regarded as arriving at evaluation through some mechanistic means and to some extent this is true. However, the candidate will not know the context beforehand and will have to think carefully when making their judgement. This type of question therefore is still not easy but has proved very successful in helping foundation candidates at all levels to be able to demonstrate some of the higher order skills that do form 50% of the marks for the paper.

One way of spotting the demonstration of these higher order skills is the candidate who structures their answer along the lines of 'If... then... and so...'. This examples is typical of such an approach. The two methods the candidate selected were 'restricting imports (quotas) and 'imposing a tax on imports':

Restricting imports is the most effective way of reducing imports because if the business is very large and has a large market share, the business will continue to import goods if taxes are added.

1f

The European Union is an integral part of the specification and it would be expected that students might have some understanding of what the EU is all about. Many students took some guidance from the evidence given and made the connection with the idea of free movement of goods and people across borders. Some recognised that it was something to do with free trade and abolishing taxes. Some candidates thought it referred to a single market stall or was one place where you could go to get everything you needed. This examples was a case where the candidate had some idea but was not able to articulate the idea clearly.

The single market is the one market which represents the whole of the EU. It is like the EU is one big market of which each EU country trades between.

1g (Common)

The intention of trying to move back to the style of perspectives question that was envisaged when the Nuffield course was first developed is reflected in this question. It is a 12 mark question broken down into three 4 mark sections. The three questions ask candidates to recognise the different perspectives of stakeholder groups in the context given. Again, this is likely to be a feature of future examinations and so it will be of benefit to students to be exposed to this type of questioning and approach during the two years of the course.

In some cases there was some confusion about the context. Some candidates were not aware of what the role of the Customs and Excise were for examples, However, the examination is aiming at encouraging students to offer a business and economics perspective of these groups as opposed to an in depth understanding of the problem of smuggling.

Most candidates recognised that booze cruisers and Hoverspeed would not be too pleased about the actions taken by the Customs and Excise but for different reasons. The perspective needed to be made clear in the answer. Candidates could get full marks by either suggesting that Hoverspeed would be 'unhappy' (the perspective) and then offering some explanation (couched in business and economic terms) as to why they were unhappy or could get marks by offering a balanced view. For examples they might suggest that booze cruisers feel they are being picked upon but balancing this out by pointing out that if they stuck within the law they could get access to cheap alcohol and cigarettes as a result of the single market.

It was possible to differentiate between candidates by looking at the quality of the business and economics knowledge demonstrated as opposed to just a layperson's general view of the issue. This, again, is something to be impressed upon students as they prepare for examinations.

1h

We keep using opportunity cost as a focus for a question because it is such an important concept in both economics and business. The quality of the answers is gradually improving although the ability to apply the concept is still somewhat lacking. Foundation candidates tended to try to use the standard definition but sometimes got the language a bit confused. For examples:

Opportunity cost is what could of (sic) been bought instead of something else

1i

The follow up question to this was asking for some explanation of the opportunity cost to the government of £3 billion in lost excise duty. Most candidates suggested that the money could (of) - very irritating - been spent on health and education but there was no sense of recognition of the other things that government spends money on. It may be worth looking at giving some more specific examples of exactly what the opportunity cost of £3 billion, for examples, really is!

1j

It was anticipated that this question might present a real challenge to foundation students. The use of the command word 'assess', for examples, might put some students off. However, it was very encouraging to see the number of foundation students offering an answer that not only demonstrated the assessment objectives targeted but also which clearly understood the context. This examples was not uncommon and does demonstrate that with the right guidance, so called 'weak' students can demonstrate higher order skills.

It would be less of a problem because more people will start to think that the risk is not worth taking if the profit is not as large., on top of the fees to get transport across the borders. However the government would probely recieve a little less as taxes would have decreased and smuggling may not decrease enough. Although smuggling would on the whole decrease but as long as they can get it cheaper smuggling will still happen.

Question 2: Work and Motivation.

Given the continued importance attached to producing portfolio investigations on motivation, it might be expected that this question would prove quite popular. The understanding of motivation is still generally poor across both foundation and higher tiers however. There are too many candidates who simply assume that offering a worker a company car (irrelevant of the type of job or industry they are in) means they will work harder and be 'happy'. It might be of benefit to try and impress upon students that if motivation was so easy why do firms still spend a great deal of time and also money on finding more effective ways of improving productivity. The use of the 'it depends' rule in this respect would be a valuable contribution to improving students' understanding.

2a (Common)

Productivity is another question that has been the subject of regular questions in the history of the Nuffield course. Early series saw candidates confusing production with productivity but this trend seems to be reversing and there were far more candidates who were able to give clear definitions of the concept. Many not only included productivity of labour but also mentioned productivity in relation to machines and land, which was very encouraging. Most were also able to offer a sound examples to support their definition. The examples below is a foundation candidate's response:

The amount an employee produces in a set amount of time. for examples an employee who produces 100 items in a day has higher productivity than a worker who produces 80 items in a day.

2b (Common)

The better understanding of productivity fed through into the answers for both 2b and 2c. If a candidate did not show an understanding of productivity in 2a then they were not penalised in the subsequent questions; the quality of the response was assessed.

Many candidates were able to recognise the benefit to a business of increased productivity. This ranged from the effect on profits of greater sales through to a recognition that cost per unit can be reduced and as a result the firm could gain competitive advantage. It became very clear in this question whether students understood the relevance of the concept or whether they had merely learned a rote response to a definition of productivity. The following response did suggest that the candidate fully understood the concept and was able to make use of other knowledge and understanding of business and economics.

An increase in productivity allows a firm to produce more. If output increases then costs are spread over a larger amount of produce. Therefore the average cost of each product falls. If costs fall it may lead to an increase in profit.

Note again, the 'if...then...so...' structure to this answer which is characteristic of candidates who are thinking about the subject in an appropriate way.

2c

Foundation candidates were able to recognise a disadvantage of increasing productivity to workers for the most part. Many assumed that increasing

productivity implied longer working hours and or poorer working conditions as well, of course, of having to work harder.

Despite this perhaps spurious line of reasoning, there was an encouraging trend of students using the toolkit to help support their answer. When this occurred the candidate was given credit. This type of response with foundation candidates using the subject toolkit is something that has been gradually creeping in to answers over the last few years and it is very encouraging. The following two examples show different approaches to the answer but with similar outcomes for the worker:

A disadvantage to workers of attempts by a firm to raise productivity is if it didn't work and they lost a lot of money that would also mean that worker has lost a job.

Note again the 'if...then...' type of approach.

Workers may loose (sic) their jobs because firms may bring in machine robots instead to do the work faster and so a firm may not need the staff any longer.

2d

Most candidates were able to offer two methods of motivation.

2e

The main problem with answers to this question was the inability on occasion of candidates to draw the direct comparison which allowed them to access the full mark range. However, many candidates were able to offer developed explanations of why their chosen method was likely to be the most successful. Note the comments made in Question 1e for guidance on preparing candidates for this type of response which will appear on future papers. This candidate is an examples of one who did make the direct comparison.

The two methods of motivation were bonuses and promotion.

Promotions would be more of a successful motivation for the workers as with bonuses it could be good money but that would be a one off, it wouldn't happen for a long time after that, whereas with a promotion it's a higher pay and that's what you will be getting from then on after that as it would be your job now. Therefore promotions would be more motivating.

Note that the quality of the written English here is not that good. There is not much by way of subject content in the answer but the line of thinking is very clear and this meets the assessment objectives for this question which is focused on analysis and evaluation. This answer was awarded full marks.

2f

Most candidates were able to use the evidence and their own knowledge to be able to come up with an appropriate response to this question. Where confusion did arise was between homeworking and working for yourself. This candidate made the distinction clear:

When an employee works from home but is still employed at a business/firm and still receives pay.

2g (Common)

Most candidates across both tiers were able to recognise some perspectives of the three stakeholders but most found the view of customers a little more challenging to think through. The evidence provided some broad hints for the benefits to the business but even so, candidates recognised that there might be some issues for businesses and where such balance was offered credit was given.

Most students seem to pick up on the benefits to workers as suggested by the evidence of Douglas Garay. However, again, some students picked up on the idea that working from home can isolate workers and there may be the possibility of workers becoming lonely. The vast majority could see the benefits outweighing the costs however.

Some candidates tried to trace through a story of how customers would ultimately benefit from homeworking. Some suggested that it would make it harder for customers to get hold of staff if they were homeworking perhaps betraying a lack of understanding of who 'customers' might be - B2B, B2C and so on might be something worth explaining to students in this respect. Some candidates suggested that customers might not care either way about homeworking as long as they still had access to high quality reasonably priced goods and services - a perfectly reasonable perspective.

2h

Most candidates had an understanding of the term 'fringe benefits'. One or two seemed to confuse fringe benefits with state benefits such as the old age pension or bus passes for the over 60s! Most were also able to offer good examples with company cars not being quite so prevalent as in previous cases where this topic was used. There was still a spattering of candidates referring to 'fridge benefits'!

2i

This question worked very well on the whole. It required foundation candidates to do a bit of thinking and it is encouraging to see the results of that thinking process. Many suggested that fringe benefits could be cheaper for the firm rather than giving pay rises and some candidates then linked this to overheads or fixed costs which, again, was most rewarding to read. Some even suggested that fringe benefits were a good method of recruitment and retention. This candidate tried to combine two elements and also hinted at some economies of scale.

Because they might find it motivates workers and turns out cheaper for them also the company might get a deal like you buy 13 cars and get 5 free and so everyone is satisfied and more motivated.

This response had the right idea but not quite the quality to get full marks and secured 3 out of the 4 available.

2j

As with 1j, this question worked very well. In general candidates were able to offer some analysis of the issue but tended to focus purely on the negative aspects of the question. Such responses could earn a maximum of 4 marks. With this type of question getting students to apply the 'it depends' rule is vital. A few students suggested that the values of homeworking depended on the type of firm. If the

business was a factory then homeworking was simply not an option for most workers but if it was an IT based company as in the evidence, then it might be far more appropriate and useful. This type of response is extremely good and received full marks. The following however was more typical but did, nevertheless, demonstrate sufficient analysis skills to gain 4 marks.

Firms will not benefit from letting more workers work from home because employers cannot keep an eye on homeworkers to see what they are doing only when using networked computer systems and telephone lines also a health and safety check needs to be carried out at their houses and so firms wont benefit because they cant keep track of their workers and what they are doing.

Note in this answer the tendency to repeat the point at the end and also the poor quality of written English. There were no full stops used to break up the response at all!

Question 3: Competition.

In general there were indications of a better understanding of monopolies and the issues surrounding monopoly power by many students possibly because of the fact that this has been the subject of questions in recent years. However, the link between monopoly power and pressure groups was less well understood. Some students seemed to have a very poor understanding of the role of a pressure group and even what they are.

3a (Common)

A question done well by most candidates from both tiers. The key point to stress is the fact that a firm with monopoly power is able to exert some form of control on the market and many students alluded to this either through recognising the fact that firms with over 25% of market share are viewed as possibly having monopoly power and also the fact that a monopoly might be the only supplier. Examples ranged from Microsoft through to Tesco and the examples were mostly well applied to the definition given. This foundation candidate had a good definition but slightly weaker examples although benefit of doubt was given and the answer secured the full 4 marks.

A monopoly is someone who has power in the market to control prices and is the main supplier of a particular product. One examples is Bill Gates he has a monopoly over computers.

The expression is not perfect but the question examiners were asking themselves here is 'does this candidate understand what a monopoly is?' and the general view was 'yes'.

3b (Common)

The vast majority of candidates focused on the potential for high prices as the disadvantage. Many also pointed to the possibility of a lack of choice for consumers. For the most part this was an accessible question for candidates from both tiers.

3c

A twist on the normal approach to monopolies by asking students to see the perspective of the benefit to a business of it having monopoly power. Some candidates suggested that having control of the market and being able to raise prices was going to help the business boost its profit which is fine at this level. Some pointed to the lack of competition as being a general benefit which allowed the business to behave in different ways. This candidate excelled because of the use of terms and concepts applied to the context. Again, this is an examples of the improvement in performance in foundation candidates that we have witnessed in this series.

Benefits of monopoly power is that firms can experience economies of scale which means that as the output increases the average cost decreases making the profit increase.

3d

This is not a question we have asked before. We have focused on competitive advantage before but not competition as such. Many candidates adjusted well and were able to articulate a definition as well as using the evidence to give good examples. Again, some foundation candidates are using the full range of the toolkit to help support their answers as in this examples:

Competition is when two or more firms compete with each other to get the most sales and profit. An examples is Walls and Mars they are both rivals to each other so they compete to get demand from customers.

3e

Most candidates were able to recognise two costs; in general these related to the effect on profits, of increased competition, losing out on business and so on.

3f

As with the previous examples, the main problem was the lack of direct comparison. Many candidates did manage to offer developed responses of the one factor they had settled on which, as with the other questions, enabled them to be able to reach a maximum of 4 marks. This is an examples of one of those cases. It is useful to draw a comparison between this answer and the previous examples which got full marks to help students understand the difference between a 4 mark and a 6 mark response to this type of question.

I think a decrease in demand for coca-cola is more damaging because this means the revenue will fall. If rivals are advertising there products then customers have a wider range of choice and this means that they don't have to buy coca-colas products, other firms products might be cheaper so this created more competition for coca-cola which means they might have to cut costs or lower prices.

3g (Common)

Most candidates could see that shopkeepers might benefit from the removal of the restrictions as it would give them the option of offering customers more choice. Some candidates did suggest that shopkeepers might not benefit completely from this as they might find themselves having the coolers removed by the likes of Walls and Mars. The development of the responses was generally good but again, students need to be reminded that this type of question must have an answer rooted in an understanding of the business and economics perspective rather than just a general knowledge response that might be expected from any person brought in off the street.

The vast majority assumed customers would benefit from the greater choice available and most assumed that the increase in competition would mean that customers would also face lower prices. The main difference between responses from foundation and higher tier candidates was in the use of appropriate business and economics terminology in these answers.

Most candidates assumed that the management at Coca-Cola and Walls would not be best pleased about this decision because it would mean they were opening up

their products to greater competition. In addition, some candidates recognised that the companies were paying to stock other firms' products. Again some candidates used appropriate terms and concepts well as in this case:

These firms point of view will be negative because they are losing sales revenue. Firms might also lose its monopoly power and economies of scale making it harder to control the market and costs will rise.

This was a foundation candidate.

This response showed awareness of another perspective which was rewarded:

Angry, they will now be less profitable because of this decline of supply to shops. However, they will feel slightly relieved to get the competition commissionaires off there backs. Although their monopolies might not be as strong now.

3h

A surprising number of candidates did not really understand what pressure groups were. They knew that pressure groups were something to do with trying to change business behaviour but few were able to give clear definitions that incorporated both the idea of a collective belief and an attempt to exert pressure on businesses and governments to change things according to those beliefs.

Pressure groups are groups which have strong opinions about things and they argue and protest about what they think is right and they persuade the public to see this.

A pressure group is an organisation that try to change business operations.

A pressure group is an organisation which attempts to change something for the good of the earth.

3i

despite the relatively poor understanding of the term, most candidates were able to pick up on the evidence to provide a reasoned explanation of an appropriate method. Protests were common but writing articles and using the media were also popular methods. This is an examples of a response that was considered to be a good examples of a well developed explanation earning full marks:

They might write articles in the paper or magazines so that people world wide know what the pressure groups are trying to do so that other people might stand by them and maybe not buy the consumers products so that the management has no choice but to act on what they are doing.

Again, however, note the sentence structure and the lack of full stops!

3j

Some candidates were able to offer some form of argument for this answer but in general the lack of depth of understanding of pressure groups meant that the quality of the argument was limited. This response was based around the 'if...then...so...' approach.

In a way pressure groups are important in influencing the behaviour of firms such as Coca-Cola because if a big group of people protest against a

company they are more likely to follow the orders than if only one person decided to protest. However, some managers may not be easily persuaded or intimidated so they may just ignore the pressure group completely.

This answer did display some of the assessment objectives being targeted. It had some analysis, offered some balance and showed awareness of different perspectives. It gained 5 marks. The quality of written communication (QWC) was a factor in this answer not reaching the full six marks.

Paper 3H Higher - Problem Solving

Comments on common questions are provided above. The Mean for this paper was 53.1 compared to 60.0 in 2005. Part of the reason for this seemed to be poor use of time by some students. The number of questions was the same as in previous years but the number of lines available was greater which may have thrown some candidates.

2a

The Evidence was intended to give students a clear lead as to some of the causes of the rise in oil prices. One key contributor was the rising demand from countries such as China and the US. The increased popularity of 'gas guzzlers' such as the Hummer also fuelled demand. Other factors were referred to, such as the supply constraints in Saudi Arabia. This question was designed to allow candidates to marshal a response in identifying the most important factor.

In general the question was well answered, with a majority gaining more than half marks. There was a tendency by some candidates to focus solely on demand, and thus not act upon the, 'to what extent' part of the question. By contrast, some centres have obviously prepared candidates carefully for this type of question, with responses organised into paragraphs and a clear conclusion present.

Some candidates used alternatives to demand such as the increased taxation of petrol in the UK as an explanation for the rising price. This awareness of the topical is always good to see and is rewarded appropriately.

2b

Most candidates had few problems with the demand and supply diagram, although a smaller number accurately indicated the excess demand on the diagram. Similarly with the explanations, a large majority could explain the process of a fall in demand leading to a consequent fall in price and quantity, but without using the idea of the surplus. Full marks were reserved for those candidates who could accurately show and explain the process.

4a

This question encouraged candidates to use the evidence to identify the different types of reliance on oil. The stem of the question referred to those companies who use oil 'directly' and 'indirectly', and candidates were required to first of all make sure they understood this distinction. Too many did not, and provided responses which focussed generally on oil use by business. Better responses made the distinction clear, perhaps by giving examples of direct and indirect users, and addressed the, 'to what extent' element of the question. One candidate began:

Firms which use oil directly use it for the actual company, e.g. plastic factory. Firms that use is indirectly are ones like car companies which produce a product which needs oil but the buyer pays for it.

The same candidate provided this conclusion:

I think that indirect oil uses are affected more. The reason is that if a direct user, e.g. a factory, has oil prices increased it can higher prices or cut costs, but if an indirect one has oil prices increased it may end up needing to replace its product completely, because consumers are unlikely to want to buy a very expensive, uneconomical car.

A conclusion to bring ideas together is a sensible ending to this type of question. This candidate has very clearly considered the extent of the impact of rising oil prices: indirect users are more affected. The point is not necessarily that we agree with this analysis, it is that the candidate has addressed the assessment objectives directly.

7a

The majority of candidates gave two credible solutions, with one usually being to, 'increase prices to customers'. Other suggestions included costs cutting measures (such as redundancies), finding alternative sources of energy (e.g. wind power) and marketing strategies such as advertising.

Analysis was rewarded when candidates discussed how sales and profit would be affected. Once again the key to this question was in considering the effectiveness of the chosen solutions. 'Assess' was the command word. Some candidates offered little in the way of evaluation, and thus were penalised as they could not access Level 3.

In general this question was quite well answered.

7b

Like the similar question on the Foundation paper, a significant number of candidates missed this question completely, or otherwise answered it incorrectly. Inflation is a basic macroeconomic concept and one which candidates might be expected to have covered. Centres should be reminded of the importance of covering the specification content, and something such as inflation should certainly figure prominently when covering the business cycle 'rollercoaster' (Unit 3) and what the government can do lessen its effects.

Candidates struggled with this question when they did not know any anti-inflationary strategies, because they then needed to offer some evaluation of such strategies, as suggested by the 'discuss' in the question. This was often absent. Typical was this response:

They can do this by increasing interest rates. By doing this they will encourage people to save more of their money...rather than spending which will cause demand to fall and inflation to fall.

So far so good. Unfortunately, that was it! By briefly considering the possible consequences of higher interest rates, for instance the possible impact on mortgage repayments, the candidate would have demonstrated Level 3 skills. In addition a little 'it depends' could have helped the student secure more marks. For examples, it would depend on how far interest rates were increased as to the expected effects on inflation.

Centres are encouraged to allow students to keep abreast of macroeconomic developments through the use of topical articles and news stories.

7c

This question was well-answered, with the biggest constraint often being the lack of time available to complete it. The subject of the question proved to be popular and accessible to students, who generally were able to provide balanced arguments on the relative merits of wind farms. The Evidence gave candidates a number of prompts towards the arguments on both sides, and so this question did not require specific knowledge about the UK energy market. The purpose was really to allow candidates to demonstrate skills in AO3 and AO4. Sustainability is a key element of the course, and indeed one in which we feel students are most readily engaged (and opinionated!). Again we would encourage centres to practise this type of question, and encourage the use of paragraphs as a means of organising ideas.

Paper 4 (Higher)

The mean mark on the paper was 63.5 compared to 55.3 in 2005. As with the foundation tier, there did not seem to be any particular pattern of questions answered but question 2 did seem to be the most popular.

Question 1: The European Union (EU) and Trade.

1d

Many candidates were able to identify at least one reason for imposing tax on imported products. Reasons ranged from reducing competition, preventing unemployment, to raise funds to carry put the work of the EU and to keep trade within the EU. Some candidates had difficulty articulating the reasoning but most managed to use some business and economics knowledge and understanding to address this question. Those that were able to use topical examples were rewarded; this demonstrated good awareness of some of the issues facing the EU.

To allow European businesses to compete against businesses from other parts of the world, for examples China where there are very low production costs.

1e

This question was targeting the higher order skills. Many candidates referred to the problem facing non EU businesses of having to pay taxes to sell goods and services in the EU. The main problem with the answers was the lack of attention to the command word of 'assess'. Most candidates assumed that non EU businesses would face insurmountable problems and there were few candidates who appeared to use the 'it depends' rule to help access the marks for evaluation. As a result many answers got stuck with 4 marks despite offering well developed responses.

Tackling this type of question is something that can be worked on in the classroom to help students to be able to recognise what sort of structure a question such as this requires. A simple 'it depends' is all that is needed to get students thinking in an evaluative manner. Do the Japanese, for examples, have insurmountable problems trading in the EU? Many candidates recognised the threat of competition from China in previous questions and then totally contradict their own responses by assuming in the next question that China can't trade in the EU because of the common external tariff!

1g

A greater number of candidates seem to be getting the hang of these higher tariff questions. Many are offering some sort of structure to their answer which includes different perspectives and an attempt to draw a conclusion. In some cases the structure can look a bit forced and there is evidence that the candidate does not really understand the issues but nevertheless, the attempt to meet the assessment objectives does mean that such answers will reach at least level 2.

In this case, there was some evidence that candidates did not fully understand the context. However, this did not prevent them from gaining some marks through demonstrating some of the assessment objectives. Once again, the key to accessing the higher levels is to ensure that some form of evaluation is shown; this can be in

the form of a balanced response but might also include some evaluative comment within the argument presented. This excerpt from a response which was at the top end of level 2 did try to offer some argument but lacked the quality of analysis and evaluation necessary to get it into level 3:

I think that the EU should not take legal action against the UK because the UK is trying to protect the government revenue from people abusing the system. I don't think that it would be fair to take legal action but I think the Customs and Excise could be more lenient towards innocent people bringing goods into the country.

The context of this question highlights the necessity of exposing students to topical issues at all stages during the course. This allows the student to be able to identify the economic and business issues and recognise the different perspectives that exist in such cases.

Question 2: Work and Motivation.

2c

Most candidates were able to recognise that workers might benefit from increases in productivity by getting some form of bonus or pay increase linked to the extra work they might be involved with. The difference in the quality of the responses tended to rest with

how well the student traced through the analysis. Some candidates strayed from the focus of the question and began discussing the impact on the business without relating it back to workers. In addition, it was expected that there would be an underlying understanding of productivity running through the answer as opposed to simply explaining methods of motivation. This candidate was awarded 3 marks. The candidate managed to trace through the impact on workers through recognising the effect that increased productivity might give.

The workers might receive a higher wage. The firm may try to raise productivity by offering performance related pay which will mean that the more items the workers produce, the higher their pay (wages) will be.

2d

This question was generally done very well and posed few problems. The differentiating factor between candidates was the quality of the development in the explanation. A high proportion managed to be able to identify two methods. The two examples below show the difference between good quality development that gained the full marks for the method (3 in total) compared to one which made some simple links only and gained only 2.

Performance related pay means the workers get payed for what they do so it is an incentive for them to do more and their for earn more.

The firm could also improve the working conditions of workers. The workers would be working in a nicer environment and so would be more motivated to work harder and produce more. The hygiene factors of the work would be removed and so workers would be more motivated as shown by Herzberg's theory.

2e

Many students showed a good understanding of some of the potential problems facing businesses in trying to motivate workers. The main problem again was a lack of evaluation of the problems. Some marks will be available for analysis and knowledge and understanding on such questions but probably 3 - 4 marks are going to be awarded for evaluation. If the candidate gives a developed response but does not demonstrate evaluation then they will not be able to access more than 4 or 5 marks at most.

These two excerpts demonstrates a candidate who is thinking about the issue and is using the context of homeworking as an examples to give an answer that does demonstrate some evaluation skills.

Factories could not let staff work from home as they wouldn't have the sufficient technology or machinery to fulfil their job. They would then be faced to look at other sources of motivation.

Firms may improve motivation by improving the workplace, but this may be expensive and might be difficult for the firm to do. Also the improvement of the workplace might not motivate workers if they are bored with their work.

2g

The main problem with responses to this question was that candidates tended to change the question or ignore what the question asked and instead offer a discussion of motivation. Some of these expositions were very good but failed to address the issue of whether it would improve productivity. As with question 1, this part of the question produced better structured answers overall and there was less evidence of single focus answers than in recent years. It must be stressed again that the higher levels will only be accessible to those who demonstrate some of the higher order skills and especially those of evaluation. Providing some balance to the answer is one way in which candidates begin to generate some evaluative comment but balance alone is not going to guarantee evaluation. This excerpt demonstrates how this evaluative comment can be incorporated:

The problem for fringe benefits are that if the fringe benefit is not worth the effort of working hard then employees will not have any incentive to gain the fringe benefit. Also if employees are not motivated by the work then the fringe benefits are not going to cause them to be more motivated.

Question 3: Competition.

3c

There were a range of responses to this question covering pricing strategies, mergers or takeovers and research and development amongst others. Predatory and destroyer pricing, whilst not on the specification, seemed to be a popular method that was mentioned by a number of candidates - including a possible variation on this strategy that one candidate gave - suicide pricing! Again, the quality of the development and the use of business and economics terminology was the key differentiator in determining the marks awarded.

3d

Many candidates seemed to have some understanding about why monopolies are seen as being 'bad' but few were able to link this convincingly to the reasons for regulation. High prices and lack of choice were the main reasons given. The quality of the development of the explanation was important in differentiating between candidates. Some acknowledgement that the reason why the authorities might regulate (to protect consumers, to encourage competition) was really needed to ensure that the full marks were accessed in each case. This candidate did just that:

They may regulate the behaviour of monopolies because otherwise other businesses may be put out of business. If other companies were put out of business then customers would have no choice in which business to buy from and would have to buy from the monopoly buyer even if the monopoly buyer reduced the quality of their product.

This candidate offered more of a simplistic response:

Monopolies mean that there is less choice for consumers so if someone goes into a shop to buy an ice cream unless it is made by walls you may not be able to get the one you want. And this is not what the EU and UK competition commission want because it affects the economy.

3f

This question produced some excellent analysis of the effect that multi-national companies can have in a less developed country; a basic understanding of the multiplier effect was much in evidence. However, many of these answers were restricted in the marks they gained because the command word of 'assess' had been ignored. Some candidates offered some balance to the responses which went some way towards leading into some evaluation but most did not do this. This was a great pity because there was clear understanding shown but many able candidates simply did not show awareness of the importance of recognising the command words in the question. Again, the 'it depends' rule could so easily have been employed here and almost certainly improved the quality of many responses. This candidate implied that rule as follows after explaining how investment into a less developed country can lead to increases in employment:

A problem with this is that not everyone will be employed and the people who are not working will remain poor while the working people will earn

more and more money and become richer. This might create unbalance in the society and the poor people might steal from the rich to get money.

3g

As with the other higher tariff final questions mentioned so far, the main problem with this question tended to be candidates who saw the term 'pressure group' and wrote all they knew about that or who saw the term 'multi-national firms' and wrote all they know about that. What few did was to link the two together, read the question carefully and think through how they were going to respond. Far more responses than in recent years had some form of balance to the answer which did mean that in general such responses got into level 2. If the response rather ignored the thrust of the question the marks stayed at the lower end of Level 2.

Some centres had clearly drilled their students in answering these types of questions. The strong candidates in these centres were able to incorporate some creativity and initiative into their answers; the weaker ones clearly demonstrated a more limited understanding but nevertheless had been forced to think about some balance to their answer. Some candidates did repeat the same point in a slightly different way several times.

A few candidates managed to see the possibility that pressure groups can take matters to extremes and in these cases there might be an argument for preventing this type of extreme action. Again, the answer depended on what type of action was being talked about. If candidates had recognised this, they would have been able to give far more convincing responses.

One or two candidates showed some excellent awareness by using topical issues to highlight their argument - the case of the grave that was desecrated and the body removed of a relative of a family who owned a guinea pig farm in Staffordshire was one such excellent examples. This shows just how important it is to keep students abreast of news items and how they can be incorporated into answers in examinations.

Portfolio - Paper 05.

Once again it is evident that the spirit of investigation is alive and kicking for the vast majority of the students and their teachers. There were questions and hypotheses that covered the full range of the subject matter of the syllabus and one hopes that this has been an integral factor into facilitating accessibility to the written examinations. The investigation titles were for the most part contemporary, reflecting the ever-changing Business and Economic environment on both a national and local basis, and, because of this were refreshing and engaging. Yet again, where students had ownership of their investigations, the outcomes were very encouraging and it is this opportunity for independent decision-making and study that needs to be embraced by more centres where benefits could be gained by all, but especially the talented and gifted.

Developing from this point, it is nevertheless crucial that there is clear guidance from teachers and this should be evidenced by the quality of the annotation on the students' work. Many pieces of work submitted for moderation had no annotation on them at all and others only had a series of cursory ticks. In some cases, the moderator is left wondering whether the teacher has actually read the candidates work. In one such examples, a teacher noted 'good knowledge AO1' on a paragraph that was clearly highly evaluative. We need to be clear on what the AOs mean and to communicate this with our students so that they know what to provide. Such a guide has been produced in past copies of the GCSE 'Business Active' magazine. Good annotation aids the standardisation process as it allows the team of moderators an insight into the thinking of the centre and a key part of our duties is to propose a way forward for each centre. The highest scoring students have the key Business and Economic concepts and theories embedded in their work and quite often this calibre of student goes beyond the syllabus and introduces others which embellish the opportunities for analysis and evaluation and thus an improved end product.

Some centres/students did not adhere to the word count. The employment of report format with key findings with appendices containing the bulk of AO1 Knowledge and AO2 Application cross referenced to the main body is the goal and is more prevalent but the 'include everything and hope for the best' mentality does not allow access to level 4 of AO3 Analysis but, more importantly, restricts the selection skills of the candidates leading to a lack of conciseness re: analysis and this impacts negatively on performance in the written papers where time is of a premium. The word limit is 1000 words. Some students use up their 1000 words on needless instructions explaining what they intend to do and how they intend to do it. If this really is something the centre sees as a valuable part of the learning process, then it should be something that is put into the appendices. The 1000 words should be used as the answer to the questions posed *as a result of the research and investigation*. All other supporting evidence can be included in the appendices. The teacher should then ensure that they point out exactly what contribution the appendices have made to the quality of the student response and the range of skills demonstrated by the student.

1000 is approximately 2-3 sides of typed A4 paper at 12 font. Students should also be encouraged to submit their 1000 words using double spacing to allow the teacher to make appropriate comments and annotations.

Description and prescription are the main causes for student underachievement. Too often there is an inordinate amount of Knowledge and Application but precious little usage of it to analyse and evaluate a question/hypothesis. Thus high scores are attained for AO1 and 2 but much, much less for AO3 and 4. IT is vital that a

question/hypothesis is posed/made because, otherwise, a rambling, incoherent investigation is always the outcome. The descriptive element of the investigation can and ought to be placed in the appendices as highlighted above.

Perhaps the biggest impediment to students' achieving is the result of the prescriptive nature of investigations that are set by centres. Often, centres offer only two investigations for all students. They are not generic titles but specific to one firm/issue and quite often students are provided with all the requisite, or perceived to be requisite, evidence. Many of our students need a framework, some more rigid and extensive than others, and with this they add value to themselves and their respective institution. This approach for the whole cohort, however, stifles the creativity and originality of the individual and totally undermines the independent, questioning spirit that is a feature of our culture. The Nuffield ethos embraces this aspect of our students yet we are constraining their achievement and ending up with a bunching towards the centre.

There has been an increase in usage of the Internet with ensuing improved analysis and evaluation opportunities. We must be on our guard, nevertheless, to ensure that it is the students' own work and has not been plagiarised. Where work has been used it must be in parentheses and noted accordingly either in a footnote or the Bibliography/Webography. If that is not the case, we must be sure as teachers that the work is the students and only we can know that because we assess their written work week in week out and we are fully au fait with the quality of their written communication. It is quite common to see cases where the work submitted, or parts of the work, are clearly not the students own work yet teachers note in the margin 'good analysis' or 'good comment'. Centres should be reminded that the signed ICRS sheet does stress that both the teacher and the student accept that the submission is the student's own work. We have a duty to teach students how to use information and to reference it appropriately and in lots of cases, this is simply not being done.

The most common cause of student underachievement is simply down to poor titles, and the fact that, if the question/hypothesis were slightly altered then the students would be able to access level 3 and 4 of AO3 and 4. The following are some examples of how titles used in 2005 could have been changed to encourage more AO3/4 and less description.

- "What motivates people to do their job at Firm X?" could be changed to "What is the most important motivator at Firm X?"
- "What are the effects on East London of the 2012 Olympics?" could be changed to "What is likely to be the most significant impact on the local community of the 2012 Olympics?"
- "Is Body Shop an ethical business?" could be "To what extent do shoppers believe that the Body Shop is an ethical business?"
- "Does demand and supply theory work to determine the wages of employees?" could be "To what extent are wages determined by demand and supply?"
- "An investigation into the pros and cons of monopolies from the point of view of consumers." Could be "To what extent do monopolies benefit consumers?"
- "Devise a marketing mix for ?" could be "Which of the 4, 5 or 7 Ps is most important for Firm X?"

Such titles allow the student the chance to research into 3 or 4 key factors, to analyse each and then come to some form of evaluative judgement about which would be the most important/significant factor and why - all done in the 1000 words available. All the supporting investigation is contained in the appendices.

Too often students seem obliged to produce primary research and this adds nothing to the investigation and in fact is an encumbrance to the investigation. The vast majority of macroeconomic investigations only require secondary sources. All the time students should question the validity of the sources to the investigation at hand and not just follow some set procedure laid down by the centre. Primary research is not a requirement. It should be encouraged when appropriate.

Some centres need to be reminded that one investigation must be drawn from the subject matter of units 1-3, and one from units 4-6. We are only concerned with giving evaluation marks for the outcome/product of their investigation NOT for the process/ way they went about their investigation. There must be included bibliographies/webographies if students are to be guaranteed access to the higher levels of AO3. Lastly, too many centres are far too generous in their application of QWC marks. For a student to get 3 or more marks one would expect to see appropriate Business and Economics terms, concepts and theories used with a very high standard of written English. The lack of annotation similarly, does not help in identifying where poor quality of written English is evident.

Sources of help to enhance portfolio outcomes apart from the E9 centre feedback reports are Edexcel Inset, Edexcel publications and the Nuffield Business and Economics website (<http://www.necb.org/go/gcse/assessment/teachersupportpages-7.html>).

Certain administrative matters need to be addressed by a small number of centres.

With regard to the OPTEMS form, could the following please be adhered to:

- The highest and lowest scoring candidates must be included in the sample and indicated clearly on the OPTEMS form.
- Where there is more than one deliverer in a centre, the respective teacher's initials must be placed next to the candidates they teach on the OPTEMS form.

With regard to the ICRS form, the following needs to be adhered to:

- Half marks need to be rounded up.
- Both teacher and student must sign the form for authentication.
- Please ensure that the addition on the ICRS forms is correct and that the marks are transferred accurately to the OPTEMS form.
- Please use up-to-date ICRS forms available via Edexcel website.

Lastly, the following points need to be addressed:

- There must be clear evidence of internal standardisation if more than one teacher delivers the course to the cohort.

- Only one or two questionnaires need to be sent and there is no need to send reams of Internet handouts.
- Please ensure that all students' work is placed in a correctly labelled manila folder and NOT in polypockets!

Statistics

Paper 1F

Grade	Max. Mark	C	D	E	F	G
Paper 1F Grade Boundaries	100	50	44	38	33	28

Paper 2F

Grade	Max. Mark	C	D	E	F	G
Paper 2F Grade Boundaries	100	54	46	38	31	24

Paper 3H

Grade	Max. Mark	A*	A	B	C	D	E
Paper 3H Grade Boundaries	100	73	64	55	46	37	32

Paper 4H

Grade	Max. Mark	A*	A	B	C	D	E
Paper 4H Grade Boundaries	100	83	72	61	50	42	38

Paper 5 - Coursework

Grade	Max. Mark	A*	A	B	C	D	E	F	G
Paper 5 Grade Boundaries	100	87	77	67	57	47	37	27	17

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